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**HOUSE ENERGY & TECHNOLOGY COMMITTEE
SENATE BILL 0522 TESTIMONY (Submitted 6-14-05)**

In the name of economic growth to hell with everything else: the Michigan Constitution and state statutes; local authority and consent; our state's environment with so many precious and irreplaceable natural resources; public health and safety issues; human life itself; the protection of both public and private property; citizens' Constitutional and civil rights; and most importantly, the well-being of future generations. Personally, I subscribe to and live by the Native American proverb which states that when you're born, you do not inherit this planet from your parents to do as you please. Instead, you borrow it from the next generations, and it is your duty to leave it in better shape than you found it. You are not just Transportation Committee members. As our elected representatives, you are the stewards, trustees and caretakers of the great state of Michigan and you must preserve, protect and maintain it to the best of your abilities in order to ensure the health, safety and welfare of all Michigan residents--present and future.

WOLVERINE PIPELINE FACTS

I realize that Senate Bill 0522 encompasses all types of utilities: power lines, cables, wires, poles, conduits, sewers, and pipelines. However, to the vast majority of Lansing area residents this bill may as well be labeled the "Wolverine Pipeline Bill."

Like water and oil, gasoline and urban population centers just don't mix. The idea of a safe gasoline pipeline in densely populated urban areas is an oxymoron. The proposed "Spartan Project" as Wolverine has dubbed this 26-mile stretch of the gasoline pipeline will replace the 69-year old, 8-mile stretch that currently runs through Meridian Township. From a purely economic viewpoint, wouldn't it be more cost effective to replace an 8-mile stretch of 8-inch diameter pipeline instead of constructing a new 12-inch diameter pipeline spanning some 26 miles or 3.25 times further along the I-96 corridor around south Lansing?

Wouldn't you want a say if this pipeline was being proposed for your city, town or village? Of course you would once you understood that Wolverine plans to pass 2.4 million gallons of gas every day at a rate of 1,667 gallons per minute under 1440 psig of pressure. This pipeline poses direct and serious threats to over 9,100 residents, 4,295 housing units, the Oak Park YMCA only 16 feet away, numerous

businesses and the water supply for over 200,000 mid-Michigan residents as the pipeline traverses 23 of 110 city wells, 73 abandoned wells and the Saginaw Aquifer.

SAGINAW AQUIFER: MICHIGAN'S WONDER OF THE WORLD THREATENED

Lansing houses a virtual ocean of water called the Saginaw Aquifer, the source of mid-Michigan's drinking water. One of Michigan's most spectacular resources, the Aquifer stretches from 25 to 600 feet below the surface. It's size is so awesome, that if it were magically lifted above ground, it would stand 70 feet above our heads and we'd all drown. According to a rough estimate by Carol Luukennon, aquifer specialist with the Lansing office of the U.S. Geological Services, there are approximately four cubic miles of water beneath our feet in the 550-square mile Ingham County region. That's four times greater than Lake St. Clair and 16 times greater volume than all the water that flows down the Grand River in a given year.

This wondrous, hidden body of water is called the "Saginaw Aquifer," because of its far-reaching underground connection to Saginaw Bay, where it discharges water. The water doesn't sit in a big space like a lake, but fills the spaces between rock particles, a little like a sponge. The rains and snows replenish the water annually. Bottled water could never replace the Saginaw Aquifer.

The Wolverine Pipeline could destroy the water supply for over 200,000 mid-Michigan residents. No matter how "safe" proponents claim the proposed pipeline to be, a spill or accident would be disastrous. If there's one chance in a million that an accident or spill might occur, then the risk isn't worth it, because it only takes 1 gallon of gasoline to contaminate 1 million gallons of water.

Finally, since the proposed pipeline would cross local rivers and creeks (5 times), and so many acres of wetlands and marshes, the Spartan Project may violate the Michigan Environmental Protection Act, Part 17 of the Natural Resources Act.

To you, the members of the Energy & Technology Committee, I ask this question: What will be the fuel of choice for motor vehicles or whatever they might be called say 25, 50 or 100 years from now? No one knows. But I assure anyone and everyone that 10,000 years from now human beings and all other living things will need water to survive and to flourish.

PIPELINE SAFETY ISSUES

Keep in mind that Wolverine is responsible for the forced evacuation of 1,200 Blackman Township residents when 75,000 gallons of gasoline leaked from the pipeline in June 2000. (See attachments F and G). According to the MPSC engineer, Don Masuchowski's written testimony in 2002, "Only 80% of the gas spilled almost 2 years ago has been recovered and contamination still exists." (See attachments D and E, which are short news articles about gasoline pipeline explosions in

Manheim Township near Lancaster, PA and Bellingham, WA respectively).

If the proposed pipeline ever ruptured and ignited around I-96 and Cedar Street, Lansing would have to deal with a catastrophe of Biblical proportions. An inferno would rage for days until the fire burned itself out, because none of the fire departments or HAZMAT units in this area have the resources or fire-fighting capabilities to deal with large flammable liquid fires. Can Lansing count on the State of Michigan to provide the city with all the financing and available resources it would need to fight such an explosive scenario? Based on how this state for years has underfunded Lansing when it comes to fire suppression money, the answer is NO! (In the current fiscal year Lansing received \$385,000 instead of \$1.06 million or 36% of what it should get from the state for fire suppression).

Since 9-11-01 all Americans must be on guard against acts of terrorism. Where would saboteurs be more likely to destroy a gasoline pipeline: along I-96 and Cedar Street in a densely populated urban area or at some farm in the boondocks? Can the MPSC or any other agency ensure that terrorists wouldn't place a time bomb in the pipeline while it was being constructed, set the timer for one or two years later, and then sit back and watch the disaster cripple Michigan's capital city and mid-Michigan's economy and transportation systems for God knows how long?

To minimize the potential loss of human life and property, pipelines should be placed as far away from people as humanly possible. Besides, the City of Lansing's real estate experts have presented two alternative routes through rural and less congested areas which are much safer than the proposed pipeline route through Lansing. (See Attachments I and J).

Wolverine and the petrochemical companies claim that pipelines are much safer than hundreds of tanker trucks running up and down the state's highways. Such claims--often quoted for pipeline safety vs. tanker trucks--range from 87.3% to 87 times safer. However, those claims are based on the results of a survey from 1990 or 1992. The data is well over a decade old. Who conducted this survey? How many people participated? Who were the participants? Where is the raw data?

According to MPSC staff testimony during the City of Lansing vs Wolverine Pipeline hearing, the average tanker truck load is equal to approximately 11,275 gallons. As tragic as a tanker accident or spill may be, it pales in comparison to the total devastation caused by gasoline pipeline leaks, spills and ruptures. The Blackman Township spill of 75,000 gallons therefore was equal to 6.65 oil tankers losing all their loads of gasoline at exactly the same time; a statistical impossibility. What is the average cost of cleaning up a tanker spill and how long does the clean-up take compared to pipeline spills? What agency, expert, database or web site has the facts and figures on gasoline tanker truck accidents in Michigan? I have searched high and low and can't find this information.

Figures released by the U.S. Department of Transportation's Office of Pipeline Safety, in 1998 (the latest year for which data are

available), indicate that Michigan petroleum and natural gas companies had to repair 9,300 leaking underground gas lines. That figure is double the 4,400 reported breaks just 7 years earlier in 1991. Many more gas line breaks go unreported according to the MPSC. National estimates rank Michigan second only to Texas in the number of repairs to damaged or leaking pipelines.

Michigan has had numerous petroleum or natural gas pipeline accidents that resulted in injury, loss of life, or significant property damage--including several in 2000. (See attachment C for examples of the worst pipeline accidents in recent Michigan history, which required a combined emergency response effort by the pipeline companies and state and local officials). Since 1996, the MPSC has investigated 35 accidents involving pipelines.

Attachments B from the Office of Pipeline Safety are used to document or substantiate claims that third party damage is the leading cause of pipeline accidents and spills. However, a closer examination of this data refutes those claims. For example, accidents caused by Outside Force Damage is equal to or less than accidents resulting from just the Corrosion of pipelines. If you reassemble the disaggregated data, the number of accidents directly attributable to pipelines themselves (i.e. from corrosion, failed pipe, failed weld, incorrect operation and malfunctioning equipment) were approximately 585 compared to about only 305 outside force damage accidents. In other words, outside force damage accounted for nearly 24.1% of pipeline accidents between 1994-2000, whereas accidents caused directly by pipelines accounted for 46.2% of pipeline accidents. This 22.1 percentage point difference means the rate for direct pipeline causes is 91.7% higher than the rate for outside force damage. A similar case can be made for petroleum product volume released by cause for 1994-2000. Even though it initially appears that outside force damage is the leading cause with about 375,000 barrels or 35.7% of product released, the total number of barrels released from the five causes directly related to the pipelines (corrosion, failed pipe, failed weld, incorrect operation and malfunctioning equipment) is approximately 445,000 barrels (42.4%) of the total product released. This means the rate for direct pipeline causes is 18.8% higher than the rate for outside force damage.

POPULATION DENSITY & ENVIRONMENTAL DISCRIMINATION

The staff of the Michigan Public Service Commission was 100% correct to recommend that the commissioners reject the construction of a new pipeline along the current East Lansing/Meridian Township route, because of its population density. However, the route through Lansing is even more densely populated. According to 2000 Census tract data, the Lansing route actually has 1,330 more people and 165 more housing units than the East Lansing/Meridian route. Moreover, a comparison of relevant population, demographic and socioeconomic data from the 2000 Census and private industry projections provide overwhelming evidence to support an environmental discrimination charge. Clearly Lansing has far more ethnic minorities, children under 18 years of age and low income residents living along its pipeline route than do East Lansing and Meridian Township.

Environmental discrimination is founded on the premise that minority and low income communities suffer disproportionate exposure to environmental hazards and that this disproportionate burden is unjust. Furthermore, such discriminatory actions and policies violate these citizens' civil rights and the equal protection under the law provision of the 14th Amendment of the U.S. Constitution.

Attachment A in your packet contains comparative data on population, race, those under 18, number of housing units and average household income for the 5 census tracts along the Meridian route and the six tracts along the planned Lansing route. For example, along the pipeline route, Lansing's minority percentage average is 30.4% or nearly triple that of the 11.4% in East Lansing and Meridian Township. The East Lansing/Meridian route's average household income is \$83,393 or \$33,609 higher than Lansing's \$49,784 average household income.

ECONOMIC OR PARASITIC GROWTH?

Does utilizing this so-called safe pipeline to replace 250 tanker truck loads per day really spell the economic growth for Michigan? What would be the economic impact on Michigan communities and governments from losing the wages and spending of hundreds of tanker truck drivers per day? Considering that dollars turn over from 4 to 7 times in most communities, and are taxed each time they stop, how much would be lost annually in local or regional commerce dollars and tax revenues? Even with a pipeline, won't tanker trucks still have to transport gasoline on our roads and highways to get the gas from the pipeline's terminals and tank farms to the gas stations in every community in Michigan?

The Wolverine Pipeline will not reduce gasoline prices dramatically or magically as pipeline proponents claim or would like us to infer. More important, nothing manmade or involving imperfect human beings is 100% safe or accident proof. Remember the Space Shuttle, Challenger! I implore you to do the research and explore this issue thoroughly. Based on the facts and figures, however, there are safer alternate routes for the Wolverine Pipeline which only cross rivers once or twice instead of 5 times.

Will the MPSC protect and provide all the necessary safeguards for Lansing residents, businesses, properties and natural resources for the life of this pipeline project? Not based on history. Don't forget the 75,000 gallon spill in Blackman Township five years ago. Also, it was this same very same regulatory commission that permitted the construction of the Meridian Mall in 1969 and other properties underneath, alongside and too close to the current East Lansing/Meridian Township pipeline, constructed in 1936--some 33 years earlier.

As a businessman I support economic growth, but not at all costs. What good is economic development and unsubstantiated claims of lower fuel prices if we destroy the environment and our irreplaceable water supply, while jeopardizing millions of dollars worth of property and untold numbers of human lives?

Please do the right thing and defeat Senate Bill 0522. As our stewards, trustees and caretakers, the fate of the great state of Michigan as well as that of future generations are in your hands; indeed an awesome responsibility and far more important than just rushing through legislation with a goal to improve the bottom lines on quarterly or annual profit-loss statements as oil companies' profits soar.